

## Message Text

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PAGE 01 STATE 120515  
ORIGIN NEA-10

INFO OCT-01 ISO-00 PM-04 DODE-00 TRSE-00 INRE-00 SSO-00  
NSCE-00 NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00  
EB-07 OMB-01 AID-05 IGA-02 L-03 /062 R

DRAFTED BY NEA/ARN:TJCAROLAN:PDW  
APPROVED BY NEA:NAVELIOTES  
NEA/ARN:MDRAPER  
NEA/ARP:JCOUNTRYMAN (SUBS)  
PM/SAS:DKEENE (SUBS)  
DOD/OSD/DSAA:LT.GEN.HFISH (INFO)  
DOD/OSD/ISA:LT.COL.PSLATER (INFO)  
DOD/OSD/OGC-ISA:SHERO (INFO)  
TREASURY (FFB):MR. CROSSWHITE  
-----251528Z 039856 /42

O 251455Z MAY 77  
FM SECSTATE WASHDC  
TO AMEMBASSY JIDDA IMMEDIATE  
AMEMBASSY AMMAN IMMEDIATE

C O N F I D E N T I A L STATE 120515

E.O. 11652: GDS

TAGS: MASS, PFOR, JO, US, SA

SUBJECT: SAUDI GUARANTEE OF JORDAN'S FY76 FMS LOAN

REF: JIDDA 3757

1. INFO CONTAINED PARA 1 REFTEL DOES NOT REALLY SURPRISE  
US, GIVEN THE TORTUOUS PATTERN OF MISUNDERSTANDINGS AND  
CONFUSION TO WHICH WE HAVE BECOME ACCUSTOMED IN  
JORDANIAN-SAUDI DEALINGS RE FINANCING OF CERTAIN U.S.  
MILITARY SUPPLY PROGRAMS IN JORDAN.

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2. FOR JIDDA: YOU SHOULD PROCEED WITH PRELIMINARY DIRECT  
DISCUSSIONS WITH SAMA'S ABDUL LATIF ALONG LINES SUGGESTED  
REFTEL. FOLLOWING IS GUARANTEE LANGUAGE THAT WE PREFER:

BEGIN TEXT: GUARANTEE

(BODY OF TEXT:) THE UNDERSIGNED, THE SAUDI ARABIAN

MONETARY AGENCY (SAMA), A PUBLIC CORPORATION DULY CONSTITUTED UNDER THE LAWS OF THE KINGDOM OF SAUDI ARABIA, AND ACTING FOR AND ON BEHALF OF THE KINGDOM OF SAUDI ARABIA, HEREBY GUARANTEES TO THE FEDERAL FINANCING BANK, ITS SUCCESSORS AND ASSIGNS, THE DUE AND PUNCTUAL PAYMENT OF PRINCIPAL WHEN AND AS DUE ON THE ATTACHED PROMISSORY NOTE,

DATED MAY 26, 1976, OF THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN.

(SIGNATURE LINE:) SAUDI ARABIAN MONETARY AGENCY,  
(NAME OF SIGNATORY), FOR AND ON BEHALF OF THE KINGDOM OF SAUDI ARABIA.

(DATE.) END TEXT.

3. FOREGOING LANGUAGE, WHICH DRAWS ALMOST ENTIRELY ON SUGGESTED TEXT WE ORIGINALLY SUPPLIED TO THE JORDANIANS FOR TRANSMITTAL TO SAG IN EARLY APRIL (STATE 74467 AND 81134), IS BASED ON OUR KNOWLEDGE THAT SAUDIS ALREADY HAVE A COPY OF THE JORDANIAN PROMISSORY NOTE IN THEIR POSSESSION. ALTHOUGH SAUDIS, FOR REASONS WE HAVE NEVER CLEARLY UNDERSTOOD, SUBSEQUENTLY PREFERRED TO SUBSTITUTE A LONGER, VAGUER AND MORE COMPLICATED GUARANTEE STATEMENT OF THEIR OWN (AMMAN 2143), WE HOPE THEY MIGHT NOW SEE THEIR WAY CLEAR TO ACCEPT OUR SUGGESTED ORIGINAL VERSION.

4. IF ABDUL LATIF SHOULD INDICATE THAT THIS STILL IS NOT POSSIBLE, YOU SHOULD PROPOSE AS AN ALTERNATIVE THAT SAMA  
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AGREE TO THE FORMULATION OUTLINED IN STATE 92294--I.E., TO INSERT THE ADDITIONAL PARAGRAPH (TEXT SET FORTH IN PARA 4 OF STATE 92294) AT THE END OF THE SAUDI GUARANTEE STATEMENT CONTAINED AMMAN 2143. YOU SHOULD POINT OUT TO ABDUL LATIF THAT, WITHOUT THIS ADDITIONAL PARAGRAPH, THE VAGUENESS OF THE SAUDI GUARANTEE STATEMENT ON THE ESSENTIAL POINT OF WHAT PARTY WOULD ASSUME LIABILITY FOR REPAYMENT OF PRINCIPAL ON THE FMS LOAN, IN THE LIKELY EVENT THAT THE JORDANIANS THEMSELVES CANNOT REPAY IT, RENDERS IT INADEQUATE IN OUR VIEW. SAME PROBLEM WOULD APPLY TO THE SAUDI GUARANTEE STATEMENT AS AMENDED BY THE SLIGHT REVISION PROPOSED TO US BY THE SAUDI AMBASSADOR HERE ON MAY 3 (STATE 107943).

5. FOR AMMAN: YOU SHOULD BRING THE SAUDI POSITION AS DESCRIBED PARA 1 REFTTEL TO CINC BIN SHAKER'S ATTENTION AND ADVISE HIM OF THE LIMITED ROLE THAT JIDDA EMBOFFS HAVE BEEN AUTHORIZED TO PLAY IN PASSING FOREGOING LANGUAGE DIRECTLY TO SAG. YOU SHOULD EMPHASIZE THAT WE CONTINUE TO

EXPECT THE JORDANIANS WILL REMAIN ACTIVELY ENGAGED IN  
SECURING SAUDI APPROVAL OF THE FORMULATION(S) WE ARE  
SUGGESTING. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, MILITARY ASSISTANCE, LOANS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Executive Order:** GS  
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**Office:** ORIGIN NEA  
**Original Classification:** CONFIDENTIAL  
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**Subject:** SAUDI GUARANTEE OF JORDAN'S FY76 FMS LOAN  
**TAGS:** MASS, PFOR, JO, US, SA  
**To:** JIDDA AMMAN  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009